

**Briefing Paper**  
**Digital Markets, Competition and Consumers Bill**

The News Media Association (the “**NMA**”) is the voice of UK national, regional and local news media in all their print and digital forms - a £4 billion sector read by more than 47.2 million adults every month. Our members publish around 900 news media titles - from The Times, The Guardian, The Daily Telegraph and the Daily Mirror to the Manchester Evening News, Kent Messenger, and the Monmouthshire Beacon.

**Key Points:**

- The Digital Markets, Competition and Consumers Bill (the “**Bill**”) must be passed without delay, and without being watered down. Otherwise, UK businesses and consumers will remain at the mercy of monopolistic Big Tech platforms.
- By empowering the Digital Markets Unit (the “**DMU**”), the Bill will unlock economic growth by opening up digital markets, allowing UK businesses to innovate and grow, and saving consumers money.
- DMU regulation will help sustain investment in trusted journalism, ensuring news media publishers can negotiate for the value that their content brings to platforms, and receive a fair share of digital advertising revenues. Consumers will ultimately benefit by saving the plurality of a UK press that would otherwise be eroded by platform dominance.

1. This Bill is urgently needed. The anticompetitive practices of unaccountable global monopolies are harming the UK economy and UK citizens. The Competition and Markets Authority (the “**CMA**”) estimates Google and Meta made excess UK profits of £2.4 billion in 2018<sup>1</sup> alone (likely now much higher). Big Tech platforms extract these excess profits not through being the best business based on free market competition, but through leveraging their market power: digital markets are particularly susceptible to ‘tipping’, where one firm becomes dominant and entrenched with little prospect of challenge.
2. A key example is the digital advertising market which is dominated by Google and Meta. It is likely that each UK household now pays £200<sup>2</sup> more for goods per year than they should be due to their stranglehold. One of Google’s own executives compared its position – owning as it does the dominant ad tech selling and buying tools, and the biggest ad marketplace – to Goldman Sachs or Citibank owning the New York Stock Exchange.<sup>3</sup>
3. The Bill will empower the DMU - a new expert unit within the CMA – to designate the very largest digital firms with substantial and entrenched market power as having Strategic Market Status (“**SMS**”). The DMU will be able to enforce Conduct Requirements (“**CRs**”) that are tailored to the business models of SMS firms. These CRs will ensure Big Tech firms act in a way that ensures fair dealing, open choices, and trust and transparency in their interactions with the businesses and individual consumers that rely on their services.

<sup>1</sup> UK Government, ‘[Government response to the consultation on a new pro-competition regime for digital markets](#)’, May 2022

<sup>2</sup> Andrew Orlowski - The Telegraph, ‘[This is the ultimate stealth tax – it absorbs all your money without you noticing](#)’, January 2023

<sup>3</sup> US Department of Justice, ‘[Justice Department Sues Google for Monopolizing Digital Advertising Technologies](#)’, January 2023

4. The DMU will also be able to make Pro-Competitive Interventions (“PCIs”). Whilst the CRs will prevent the worst abuses of market power, PCI’s will allow the DMU to implement remedies that address the root cause of that market power. For example, a CR could prevent Google self-preferencing its own businesses in the digital advertising market (locking businesses into its products and taking an unfairly large cut of revenues), whereas a PCI could require a functional separation to remove the incentive for self-preferencing.
5. In the digital media sector, Google and Meta’s overwhelming market power means that publishers are not compensated fairly for the significant value that their content creates for platforms – estimated at around £1bn per year in the UK<sup>4</sup>. Google Search and Meta’s Facebook rely on news publishers to attract and engage users, as professional news content is reliable and regularly updated.

#### **How will the DMU support producers of trusted journalism?**

- Publishers will be able to negotiate fair and reasonable terms for the value that news content brings to platforms. If SMS firms refuse to comply, a Final Offer Mechanism will be available, with each party submitting bids and the fairest offer selected.
- The DMU will ensure that publishers receive a fair share of revenues for the advertising that is shown around their content.
- Publishers will be able to receive user data when consumers interact with their content on platforms’ services (in a manner compliant with data protection law).
- Unfair commissions on app store sales will be prevented, ensuring publishers can build sustainable digital subscriptions businesses.

6. Google and Meta have attempted to ward off fair negotiations in Australia<sup>5</sup> and Canada<sup>6</sup> by restricting, or threatening to restrict, access to domestic trusted news that is the antidote to online disinformation. Denying citizens access to reliable information to avoid payment serves only to emphasise the primacy that these firms place on profits rather than citizens’ interests. The government should not give in to similar threats in the UK.
7. As the EU and other jurisdictions have forged ahead with similar (but less agile and effective) digital competition regulations, there is a danger that the UK will become a rule taker, not a rule maker. Delayed or weakened legislation will leave UK businesses at a competitive disadvantage internationally, and deny UK consumers lower prices and more innovative products. In contrast, strong, forward-looking DMU regulation will ensure that digital markets live up to their potential, allowing consumers to enjoy the full benefits that technology can deliver.

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May 2023**

<sup>4</sup> Professor Matthew Elliott, ‘[Value of News to Digital Platforms in the U.K.](#)’, May 2022

<sup>5</sup> Josh Taylor, Michael McGowan, Archie Bland – The Guardian, ‘[Misinformation runs rampant as Facebook says it may take a week before it unblocks some pages](#)’, February 2021

<sup>6</sup> Lynn Doam - Bloomberg, ‘[Meta May End Facebook, Instagram News Content in Canada](#)’, May 2023